

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF NORTH CAROLINA**

US AIRLINE PILOTS ASSOCIATION, )  
)  
Plaintiff, )

v. )

ROGER VELEZ, on behalf of himself )  
And all similarly situated former )  
America West Pilots, and LEONIDAS, )  
LLC, )  
)  
Defendants. )

Civil Action No.:  
3:14-CV-577-RJC-DCK

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EDDIE BOLLMEIER, BILL TRACEY )  
and, SIMON PARROTT, )  
)  
Plaintiffs, )

v. )

GARY HUMMEL, STEPHEN )  
BRADFORD, ROB STREBLE, )  
STEVE SMYSER, ROBERT FREAR, )  
COURTNEY BORMAN, and JANE )  
DOE BORMAN, RONALD NELSON, )  
PAUL DIORIO, PAUL MUSIC, )  
JOHN TAYLOR, JOE STEIN, )  
PETE DUGSTAD, JAY MILKEY, )  
and STEPHEN NATHAN, )  
)  
Defendants. )

Civil Action No.:  
3:15-cv-00111-RJC-DCK

**SUPPLEMENT TO MEMORANDUM IN SUPPORT OF PLAINTIFFS' [PROPOSED]  
TEMPORARY RESTRAINING ORDER**

## I. BACKGROUND

Pursuant to the Court's direction at the July 30, 2015 hearing in this matter, the parties submitted their respective memoranda in support of their proposed forms of TRO on July 14, 2015. [Docs. 61, 62] On July 17, 2015, LMRDA Defendants Paul Diorio and Paul Music (formerly USAPA officers who authorized the improper expenditure of USAPA assets to pursue a seniority integration result that was not in the "collective legal action on behalf of the pilot group" but rather was solely in their interests as East pilots), acting in their "new" capacity as Chair and Vice Chair, respectively, of the Philadelphia Domicile of APA (the union for all American Airlines Pilots that replaced USAPA on September 16, 2014), issued an update regarding the appointment of a new East Merger Committee to replace the USAPA Merger Committee. (See July 17, 2015, "A message from your PHL Leadership," attached hereto as Exhibit A.) The message announced that three East pilots have been chosen to serve on the new APA-appointed East Merger Committee, and that the law firm of Baptiste and Wilder was retained as Merger Counsel. (See *id.*)

Baptiste and Wilder was counsel for the USAPA Merger Committee that unequivocally withdrew from the SLI arbitration following the 9th Circuit's June 26 decision in *Addington v USAPA* [Doc. 56 at Ex. 12], as well as the firm currently representing USAPA with respect to its recent Petition for Rehearing En Banc in *Addington*. Baptiste and Wilder is also one of the current USAPA vendors, consultants, experts and the like for which the LMRDA Defendants seek permission to spend an additional \$500,000 to complete payment for their merger-related work product; a request the LMRDA Plaintiffs oppose. One of the three members of the newly appointed East Committee is Rick Brown, who was involved with the prior USAPA Merger Committee.

It is clear, therefore, that the LMRDA Defendants seek to tax the entire membership of USAPA for more inappropriate spending that was not and is not “collective legal action on behalf of the pilot group.” Further, it is clear that all of the work product, legal expertise and other expert and consultant materials on which the LMRDA Defendants improperly spent treasury funds has now been simply handed over to the new East Merger Committee, without USAPA receiving any payment or assets of equivalent value, despite the fact that USAPA spent hundreds of thousands of dollars to produce these materials, one-third of which was obtained from the West pilots, and despite the fact that they could have but did not seek reimbursement of these costs from American through APA.

The LMRDA Plaintiffs’ original Proposed Joint Stipulation asked the LMRDA Defendants to refrain from doing exactly what is happening now:

2. USAPA and the LMRDA Defendants agree that the LMRDA Defendants will not authorize, permit or cause USAPA to transfer or allow to be used in any way, any tangible asset of USAPA, or the former USAPA Merger Committee, by any new East Merger Committee, or any other group or committee of former East Pilots, to argue for a seniority list in the SLI process other than the Nicolau Award. Tangible assets include, but are not limited to, computers, software, any type of personal digital device such as a cell/smart phone, tablet, or the like, office supplies and/or furnishings, commercial leases and/or rented office space, and any and all work product produced by experts, attorneys, and/or consultants.  
[Doc. 62, Exhibit D, at paragraph 2.]

The LMRDA Defendants and USAPA refused to agree to this, and now it is apparent that their refusal was designed to enable them to hand hundreds of thousands of dollars of assets paid for by East and West pilots over to the new East Merger Committee which, unlike the USAPA Merger Committee, does not make any pretense of advancing the interests of anyone other than the East pilots, without receiving equivalent value to reimburse the USAPA treasury for the benefit of all members.

What the LMRDA Defendants failed to address in their objection to being restrained from handing over USAPA assets, however, is that (1) they seek to spend \$500,000 more to pay for these tangible assets, (2) these assets have monetary value and should not be transferred without receiving equal monetary value to reimburse the USAPA treasury for the benefit of all membership, and (3) USAPA counsel and LMRDA Defendants Diorio and Music<sup>1</sup> should be bound by the injunction issued by this Court. *See* Rule 65(d)(2) “Persons Bound . . . (B) the parties’ officers, agents, servants, employees, and attorneys; and (C) other persons who are in active concert or participation” therewith.

Respectfully submitted this 21<sup>st</sup> day of July, 2015.

/s/ Kelly J. Flood

Marty Harper, admitted *pro hac vice*

Kelly J. Flood, admitted *pro hac vice*

ASU ALUMNI LAW GROUP

2 N. Central Avenue Suite 1600

Phoenix, AZ 85004

Telephone: (602) 251-3620

Facsimile: (602) 251-8055

[Kelly.Flood@asualumniawgroup.org](mailto:Kelly.Flood@asualumniawgroup.org)

[Marty.Harper@asualumniawgroup.org](mailto:Marty.Harper@asualumniawgroup.org).

and

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<sup>1</sup> LMRDA Defendants Diorio and Music have successfully evaded service to date, but they no doubt have notice of all of these proceedings.

Jeffrey Freund (*admitted pro hac vice*)  
Zachary Ista (*admitted pro hac vice*)  
Bredhoff & Kaiser, P.L.L.C  
805 15th Street N.W.  
Washington, D.C. 20005  
(202) 842-2600 (p)  
(202) 842-1888 (f)  
jfreund@bredhoff.com  
zista@bredhoff.com

C. Grainger Pierce, Jr.  
Nexsen Pruet, PLLC  
Carillon Building  
227 West Trade Street, Suite 150  
Charlotte, NC 28202  
(704) 338-5321 (p)  
(704) 805-4712 (f)  
gpierce@nexsenpruet.com

CERTIFICATE OF SERVICE

I hereby certify that I electronically filed the foregoing Supplemental Memorandum in Support of Proposed TRO with the Clerk of the court using the CM/ECF system and that notification will be sent via the system to:

John Gresham  
Tin Fulton Walker & Owen  
301 East Park Avenue  
Charlotte, NC 28203

O'DWYER & BERNSTIEN, LLP  
Brian O'Dwyer (admitted pro hac vice)  
Joy K. Mele (admitted pro hac vice)  
Zachary Harkin (admitted pro hac vice)  
52 Duane Street, 5th Floor  
New York, NY 10007

This the 21<sup>st</sup> day of July, 2015.

*/s/ Kelly J. Flood*

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Marty Harper, admitted *pro hac vice*

Kelly J. Flood, admitted *pro hac vice*

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2 N. Central Avenue Suite 1600

Phoenix, AZ 85004

Telephone: (602) 251-3620

Facsimile: (602) 251-8055

[Kelly.Flood@asualumniawgroup.org](mailto:Kelly.Flood@asualumniawgroup.org)

[Marty.Harper@asualumniawgroup.org](mailto:Marty.Harper@asualumniawgroup.org)